

FLA Audit Profile

Factory Code	830082204H
Country	USA
FLA Affiliate	Wincraft
Monitor	Accordia
Audit Date	June 3-4, 2009
Products	Temporary tattoos
Processes	Printing, Cutting, Banding, Packing
Number of Workers	24



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Wages, Benefits and Overtime Compensation: D. Timely Payment of Wages

WBOT.4 All wages, including overtime compensation shall be paid within legally defined time limits. When no time limits are defined by law, compensation shall be paid at least once a month. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Notable Feature

Explanation: The monitor found that company pays workers overtime wages more favorable to workers than is required by law. Legal requirements set forth by Fair Labor Standards Act allow for payment of a premium wage of 50% of regular wage rates for all hours worked in excess of 40 per week per worker. The factory pays its workers overtime wages for hours over 40 per week that includes normally those hours for holiday or otherwise paid time off. For example, if a worker is off for a paid holiday during the week, the factory will pay overtime for hours worked in excess of 32 for that week (40 total).

Plan Of

Action:

Deadline

Date:

Supplier

CAP:

Supplier CAP

Date:

Action

Taken:

Plan

Complete:

Plan

Complete

Date:

Action

Verified:

Action

Verified Text:

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Date:

Comments:

Confidential

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Freedom of Association: Z. Grievance Procedure

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers.

(P)

	Audit Date	Audit Type	Audit Scope	Auditor	Score
	06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Noncompliance
Explanation:	The monitor conducted a review of company policies and procedures for the presence of a grievance procedure where workers have the ability to raise issues openly, that allow first an attempt for workers to settle grievances directly with their supervisor but, where this is inappropriate or has failed, it is possible for the worker to have the grievance at one or more steps depending on the grievance and structure and size of the company. Employers shall ensure that the grievance procedures and applicable rules are known to workers.				
Plan Of Action:	Factory management will create a grievance procedure that would allow factory employees to make direct grievances to their supervisors. If the grievance is not resolved, then the grievance will go to a grievance committee. If the employee is still not satisfied, the grievance will go to management, specifically the President.				
Deadline Date:	09/30/2009				
Supplier CAP:					
Supplier CAP Date:					
Action Taken:	The factory has developed and implemented a formal Workplace Grievance Procedure. A copy of the Workplace Grievance Procedure has been received and reviewed.				
Plan Complete:					
Plan Complete Date:					
Action Verified:					
Action Verified Text:					
Action Verified Date:					
Comments:					
Confidential Comments:					

Harassment or Abuse: B. Discipline/Progressive Discipline

H&A.2 Employers shall have a written system of progressive discipline (e.g., a system of maintaining discipline through the application of escalating disciplinary action moving, for instance, from verbal warnings to written warnings to suspension and finally to termination). Any exceptions to this system (e.g., immediate termination for gross misconduct, such as theft or assault) shall also be in writing and clearly communicated to workers. (P)

	Audit Date	Audit Type	Audit Scope	Auditor	Score
	06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Noncompliance

Explanation: The monitor conducted a review of company policies and procedures for disciplinary measures for workers. The monitor did not find any written or communicated policy/procedure that will provide for a progressive disciplinary system as required by FLA benchmarks. Employers shall have a written system of progressive discipline. Any exceptions to this system shall also be in writing and clearly communicated to workers.

Plan Of Action: Factory management will develop a progressive disciplinary policy that will be included in Employment Manual and communicated to all workers.

Deadline Date: 09/30/2009

Supplier

CAP:

Supplier CAP

Date:

Action Taken: The factory provided a copy of the disciplinary policy that has been communicated to all works and is printed in the Employment Manual that all employees receive. Disciplinary steps include oral warning, written warning, counseling session, and termination.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified

Text:

Action Verified Date:

Comments:

Confidential Comments:

Harassment or Abuse: E. Discipline/Written Disciplinary System

H&A.5 Employers shall maintain a system of written disciplinary rules, procedures and practices. Disciplinary rules, procedures and practices shall be clearly communicated to all workers. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Noncompliance

Explanation: The monitor conducted a review of company policies and procedures for disciplinary measures for workers. The monitor did not find any written or communicated policy/procedure that will provide for a progressive disciplinary system as required by FLA benchmarks. Employers shall have a written system of progressive discipline. Any exceptions to this system shall also be in writing and clearly communicated to workers.

Plan Of Action: The company will implement a written system of progressive discipline. The system will be in writing in the Employment Manual and clearly communicated to all employees.

Deadline Date: 09/30/2009

**Supplier
CAP:**

**Supplier CAP
Date:**

**Action
Taken:** The factory provided a copy of the disciplinary policy that has been communicated to all works and is printed in the Employment Manual that all employees receive. Disciplinary steps include oral warning, written warning, counseling session, and termination.

**Plan
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**Plan
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**Action
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**Action
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Text:**

**Action
Verified
Date:**

Comments:

**Confidential
Comments:**

Miscellaneous: A. Code Awareness

GEN.1 Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.

Audit Date	Audit Type	Audit Scope	Auditor	Score
06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Noncompliance

Explanation: The monitor conducted an interview with management as well as a review of documentation to assess the Licensee's compliance with Company Obligations to provide their supplier factories with their adopted Code (either FLA or one developed by Licensee that is substantially similar to the FLA code). Additionally, the monitor interviewed workers to determine if they had seen or read any Code that would have been provided by the Licensee. The monitor concluded that no Code has been provided to them from the Licensee for posting and communication to workers. Management was not aware of the FLA Code or the Licensee's Code.

**Plan Of
Action:** The factory will adopt FLA Code of Conduct. The Code of Conduct will be reviewed with all employees and be posted on the company bulletin boards.

**Deadline
Date:** 09/30/2009

**Supplier
CAP:**

**Supplier CAP
Date:**

**Action
Taken:** The FLA Code of Conduct is now posted throughout the building and communicated to all employees. The factory supplied photos of FLA Code of Conduct that is posted for all employees to view.

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Miscellaneous: A. Code Awareness

GEN.2 Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

Audit Date	Audit Type	Audit Scope	Auditor	Score
06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Noncompliance

Explanation: The monitor conducted an interview with management as well as a review of documentation to assess the Licensee's compliance with Company Obligations to communicate a Code (either FLA or one developed by Licensee that is substantially similar to the FLA code). Management had disclosed that the Licensee has not provided information about the Code for communication to workers or management. In addition the licensee has not explained the expectations associated with the company's obligation.

Plan Of Action: The company will adopt the FLA Code of Conduct. The Code of Conduct to be provided to and reviewed with employees and posted throughout the factory.

Deadline Date: 09/30/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: The FLA Code of Conduct has been adopted. It has been reviewed with all employees and is posted throughout the facility as evidenced by photos provided. All employees received a copy of the Code of Conduct and it is also available on the company's intranet web site.

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Miscellaneous: A. Code Awareness

GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

Audit Date	Audit Type	Audit Scope	Auditor	Score
06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Noncompliance

Explanation: The monitor conducted an interview with workers and management to assess the Licensee's compliance with Company Obligations to provide a secure means of communication for the supplier factory's workers to report instances of non-compliance to the code. There was no evidence of any posting of information on who to contact, how to contact and what to report.

Plan Of Action: The factory will implement a written procedure on who employees can contact to report instances of non-compliance with company obligations. This is to be posted in the factory and printed in the Employment Manual.

Deadline Date: 09/30/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: The factory implemented a tip line to facilitate the receipt of anonymous information - a secure phone line for employees to call to report any code of conduct violations. Messages are checked daily. A sign is posted stating who to contact regarding grievances with the FLA code of conduct. Received photo of a sign posted as evidence that his procedure is in place.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

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Health and Safety: C. Written Health and Safety Policy

H&S.3 Employers are required to develop, maintain and regularly review a written health and safety policy. The policy must, at the very least, be aimed at complying with legal minimum safety and health standards, regulations and procedures. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Noncompliance

Explanation: The monitor conducted a review of documented company documentation for presence of a Health and Safety Policy. None was found by the monitor. Employers are required to develop, maintain and regularly review a written health and safety policy. The policy must, at the very least, be aimed at complying with legal minimum safety and health standards, regulations and procedures.

Plan Of Action: The factory management will develop a written Health and Safety program.

Deadline Date: 09/30/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: A written Safety Training Program has been developed. Excerpts from the training program have been reviewed for verification that the program is now in place. A safety committee has been formed who will meet monthly to ensure that all health and safety issues are address timely.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

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Health and Safety: I. Evacuation Requirements and Procedure

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their

workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Noncompliance

Explanation: The facility production manager stated to monitor that facility has not conducted a fire evacuation drill within the past 12 months. The monitor conducted interviews with a sample of 10 workers to confirm this statement. No worker was able to verify that there has been a fire evacuation drill conducted within the past 12 months.

Plan Of Action: Factory Management will ensure that evacuation drills will be conducted annually.

Deadline Date: 10/31/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: Annual evacuation drills are now in place. Factory provided written evacuation procedures and evacuation map.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Confidential Comments:

Health and Safety: K. Personal Protective Equipment

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Noncompliance

Explanation: Eyewash stations were found in place for use by workers in proximity to chemical/hazardous materials storage and use areas. The monitor did not find a

log to show inspection of the units to include the frequency of replacement of fluids (normally monthly) to maintain freshness/hygienic condition, and that no damage/leakage/ evaporation has occurred.

Plan Of Action: Factory management will implement eyewash inspection logs to ensure that freshness and hygienic conditions are maintained.

Deadline Date: 10/19/2009

Supplier CAP:

Supplier CAP Date:

Action Taken: Eyewash inspection logs are now in place, as evidenced by photo provided.

Plan Complete:

Plan Complete Date:

Action Verified:

Action Verified Text:

Action Verified Date:

Comments:

Confidential Comments:

Health and Safety: Q. Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
06/03/2009	External	FLA Independent External Monitoring	Accordia Global Compliance	Noncompliance

Explanation: The monitor inspected the factory electrical supply cabinets for adequate clearance as required by OSHA1910.303. On the south wall, near sink area, two cabinets were found blocked by a wheeled cart of in-process materials not allowing for at least a 36 inch clearance for emergency personnel in the event of a need to cut power to that panel.

Plan Of Action: Factory management will clear the area near electrical supply cabinets to allow for easy access in the event of an emergency.

Deadline Date: 09/30/2009

Supplier CAP:

Supplier CAP 09/30/2009

Date:

Action

Taken:

The area near the electrical supply cabinet has been cleared to allow access to the power panel. A company safety committee has been organized. The committee will meet monthly to review and address health and safety compliance, including making sure that this area stays clear.

Plan

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Complete

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Action

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Action

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Date:

Comments:

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